



David A. Skeel Jr.
Chair

Members

Andrew G. Biggs
Arthur J. González
Antonio L. Medina
John E. Nixon
Justin M. Peterson
Betty A. Rosa

Robert F. Mujica Jr.
Executive Director

BY ELECTRONIC MAIL

June 26, 2023

Hon. Omar Marrero Díaz
Executive Director
Fiscal Agency and Financial Advisory Authority

Re: Ankura Consulting Group, LLC

Dear Mr. Marrero Díaz,

In accordance with the Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), established pursuant to Section 204(b)(2) of PROMESA, we have reviewed the proposed amendments to the contracts between the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF,” for its Spanish acronym) and Ankura Consulting Group, LLC (the “Proposed Amendments”).

After reviewing the Proposed Amendments, the Oversight Board concludes “Approved with Observations.” Observations related to the Proposed Amendments are set forth in Appendix A attached hereto.

Our review is solely limited to compliance of the Proposed Amendments with Section 204(b)(2) of PROMESA, which seeks to ensure proposed contracts promote market competition and are not inconsistent with approved Fiscal Plans. For the avoidance of doubt, the review performed by the Oversight Board does not constitute a legal review of the contractual documentation or the contracting process, including without limitation: (i) compliance with contracting requirements under applicable laws, rules, and regulations, both federal and local; and (ii) compliance with applicable laws, rules, and regulations governing procurement activities, both federal and local.

In addition, the Oversight Board has not engaged in any due diligence or background check with respect to the contracting parties nor whether the contracting parties comply with the requirements under the applicable contract. Any material changes to the Proposed Amendments or the original contracts must be submitted to the Oversight Board for review and approval **prior to execution**.

Hon. Marrero Díaz

June 26, 2023

Page 2 of 2

This letter is delivered as of the date hereof and we reserve the right to provide additional observations and modify this letter based on information the Oversight Board was not directed to when the review was conducted. In addition, during the course of our review, we may receive information that we may refer to the relevant authorities.

This letter is issued only to AAFAF and solely with respect to the Proposed Amendments.

Sincerely,



Jaime A. El Koury
General Counsel

APPENDIX A

(Page A-1)

AAFAF – ANKURA CONSULTING GROUP, LLC

Fiscal Plan Alignment

This review covers the Proposed Amendments to the contracts between AAFAF and Ankura Consulting Group, LLC related to: (i) PROMESA Title III workstreams (the “Proposed Title III Amendment”); and (ii) Non-Title III Debt Restructuring and Plan of Adjustment workstreams (the “Proposed Non-Title III Amendment”).

Proposed Title III Amendment: Contract No. 2022-000061-A

The original Title III contract was executed on August 2, 2022 and contemplates financial advisory, consulting and support services in connection with PROMESA Title III debt restructuring activities of the Puerto Rico Highways and Transportation Authority and the Puerto Rico Electric Power Authority, among other matters. It has a term from its date of execution until June 30, 2023 and a maximum payable amount of **\$1,200,000**.

Proposed Non-Title III Amendment: Contract No. 2022-000062-A

The original Non-Title III contract was executed on August 2, 2022 and contemplates financial advisory, consulting and support services in connection with Non-Title III debt restructuring, plan of adjustment and financial matters, transformation and implementation and program management, Certified Fiscal Plan implementation work, municipal finance advisory, Oversight Board negotiations, and COVID Relief Fund work, among other matters. It has a term from its date of execution until June 30, 2023, and a maximum payable amount of **\$8,300,000**.

The Proposed Amendments extend the terms of their respective contracts until **July 31, 2023**, without altering the maximum payable amounts. Accordingly, the Proposed Amendments have no budgetary impact.

AAFAF has certified that the funds required for payments under the original contracts and the Proposed Amendments are allocated in **Account Nos. 580931-7000-006-2023 and 580921-7000-006-2023**. As such, the Oversight Board’s review indicates that AAFAF has sufficient budgeted funds to cover the cost of the original contracts and the Proposed Amendments as of the date of this letter. This determination does not consider the extent to which total available funds will be subsequently encumbered by AAFAF throughout the Proposed Amendments’ terms. Consequently, we rely on AAFAF’s budget certification for purposes of this review.

AAFAF is expected to inform the Oversight Board of any budgetary differences other than those specified in Appendix A (Contract Submission Questionnaire) and to request a re-review of the Proposed Amendments should any changes occur.

This review was conducted on the basis of information submitted by AAFAF. The Oversight Board has not independently verified the information included in the submission. Should the Oversight Board become aware of any inaccuracies or misrepresentations – whether intentional or not – it would re-evaluate its assessment.